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13 Proposed Attorneys for
14 The Roman Catholic Archbishop of San Francisco

15 UNITED STATES BANKRUPTCY COURT
16 NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION
17

18 In re:
19 THE ROMAN CATHOLIC ARCHBISHOP OF
SAN FRANCISCO,

20 Debtor and
21 Debtor in Possession.

Case No. 23-30564

Chapter 11

**DECLARATION OF PAULA F.
CARNEY IN SUPPORT OF
APPLICATION TO EMPLOY
SHEPPARD, MULLIN, RICHTER &
HAMPTON LLP AS BANKRUPTCY
COUNSEL**

[No Hearing Required]

26 I, Paula F. Carney, declare:

27 1. I am an attorney duly licensed to practice law in the State of California and since
28 2013 have been General Counsel to The Roman Catholic Archbishop of San Francisco, the Debtor

1 and Debtor in Possession herein (“RCASF” or “Debtor”). If called as a witness, I would and could
2 testify competently to the matters stated herein.

3 2. This declaration is submitted in support of the Debtor’s Application to Employ
4 Sheppard, Mullin, Richter & Hampton LLP (“Sheppard Mullin”), the proposed co-bankruptcy
5 counsel (the “Application”). As General Counsel, I am one of the Debtor’s responsible individuals
6 for supervising outside counsel and monitoring and controlling legal costs.

7 3. I am informed and believe, based on communications and representations by
8 Sheppard Mullin including the Declaration of Ori Katz filed in support of the Application, that
9 Sheppard Mullin’s billing rates and material terms for the engagement are comparable to
10 Sheppard Mullin’s billing rates and terms for other non-bankruptcy engagements and to the billing
11 rates and terms of other comparably skilled professionals. In fact, as set forth in the Application,
12 Sheppard Mullin agreed to discount its hourly rates by 20% from Sheppard Mullin’s normal and
13 customary hourly rates.

14 4. The RCASF did not interview other firms prior to selecting FFWPR as its primary
15 bankruptcy co-counsel. The RCASF requested the services of Sheppard Mullin to work alongside
16 FFWPR as co-counsel because the Debtor knows Sheppard Mullin to be skilled in insolvency,
17 reorganization, and commercial transaction matters and that the firm’s members have substantial
18 knowledge and experience that will enable them to perform services of special benefit to the
19 Debtor and its estate in a cost-effective manner. While FFWPR is a small boutique firm focused
20 on insolvency and commercial litigation and holds special expertise in diocese cases, the Debtor
21 believes that the substantial size and complexity of this particular Bankruptcy Case will necessitate
22 the involvement of a full-service law firm with the depth and experience of Sheppard Mullin to
23 work alongside FFWPR as its co-counsel.

24 5. The Debtor originally engaged Sheppard Mullin in early June of 2023 to assist in
25 preparing a possible chapter 11 bankruptcy filing. As a result of its prepetition representation of
26 the RCASF, Sheppard Mullin has acquired in-depth knowledge of the Debtor’s structure,
27 operations, and liability profile. As such, Sheppard Mullin possesses the necessary background to
28 address the legal issues and related matters that may arise in the administration of the Bankruptcy

1 Case.

2 6. In the normal course of my role as General Counsel, I review and approve the
3 billings of outside counsel. Others at the RCASF may also assist or join in that review. If I have
4 issues with the reasonableness or necessity of any charges or services, I raise them with counsel,
5 discuss them and typically reach a reasonable resolution. The RCASF plans to use similar
6 procedures in this case.

7 7. In addition, we have reviewed and discussed the need for co-counsel as primary
8 bankruptcy counsel. We understand that Felderstein Fitzgerald Willoughby Pascuzzi & Rios LLP
9 (“FFWPR”) is a small boutique firm focused on insolvency and commercial litigation, and
10 currently is representing at least one other diocese in its chapter 11 case. The substantial size and
11 complexity of this Bankruptcy Case will necessitate the involvement of a full-service law firm
12 with the depth and experience of Sheppard Mullin to provide additional services to RCASF that
13 are not duplicative of services that FFWPR will provide. Rather than resulting in any extra expense
14 to the Debtor’s estate, it is anticipated that the efficient coordination of efforts of the Debtor’s
15 attorneys and other professionals will greatly add to the progress and effective administration of
16 the Bankruptcy Case.

17 8. I am informed and believe that Sheppard Mullin and the other professionals
18 employed in this case will monitor and coordinate with the other professionals to ensure a clear
19 delineation of each firm’s respective roles to prevent unnecessary duplication of services and
20 ensure the Bankruptcy Case is administered in the most efficient fashion possible. Rather than
21 resulting in any extra or unnecessary expense to the Debtor’s estate, it is anticipated that the
22 efficient coordination of efforts of the Debtor’s attorneys and other professionals will greatly add
23 to the progress and effective administration of the Bankruptcy Case.

24 I declare under penalty of perjury under the laws of the United States of America that the
25 foregoing is true and correct. Executed on September 19, 2023, at San Francisco, California.

26 /s/ Paula F. Carney
27 PAULA F. CARNEY
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